

STATEMENT OF SENATOR MAX BAUCUS
Hearing on Extension of Fast Track Negotiating Authority
June 20, 2001

While all of us gathered in this room represent different constituencies, I truly believe that everyone here shares a common goal. We want to promote a trade policy that advances our national interest. We want American farmers and companies to be successful on the world stage. We want to create and maintain high-paying jobs. We want to do these things in a way that preserves our environment. Every single one of us shares these goals. And I am convinced that opening markets can advance these goals – provided, of course, that trade is fair and occurs consistent with international and U.S. trading rules. I also believe that fast track authority has been helpful in completing these agreements, and that’s why I have supported fast track in the past – for Presidents of both political parties.

In the coming months, I will work with my colleagues and the Administration to explore the possibility of extending fast track. But I must confess to increasing pessimism as to whether we can achieve that goal this year. What has changed? Why the controversy? Simply put, the topics of international trade negotiations have changed. In our early efforts, the U.S. focused only on tariff reductions. But we soon realized the need to address additional issues. We began to look for solutions to non-tariff barriers like quotas and product standards. By the late 1970s, we began to address government subsidies.

In the 1980s, the issue was intellectual property. And on this issue, there is great parallel with the current discussions on labor rights and environmental standards. Initially, developing countries hotly opposed the U.S. position on intellectual property. And they wanted it addressed through the largely ineffective World Intellectual Property Organization. In our own country, many argued that trying to address this issue “muddied the waters.” But after years of hard negotiation, the developing world relented, and intellectual property protection became an integral part of trade agreements. It remains so today.

Now the issue is standards on labor and the environment. And again, some developing countries oppose U.S. efforts to broaden the agenda. Some in this country would also prefer to ignore these issues – or push them off to international organizations with a spotty track record.

Equally troubling is the ongoing effort by some trading partners to undermine U.S. trade laws. Unfortunately, I fear the gap on these issues is widening. I base this fear largely on three things:

- the Administration’s statement of trade principles, which offered little beyond rhetoric on these issues,
- the efforts of some to move fast track legislation that completely ignores these issues,
- and a very troubling statement by President Bush on Tuesday, where he referred to labor

and environmental arguments as [quote], “all kinds of excuses not to trade.”

We simply won’t get where we all want to be by trotting out trite, partisan rhetoric.

So – that’s the bad news. But there is good news: There still is time to form a true bipartisan consensus on trade. With concerted effort, it may be possible to forge consensus this year. I stand ready to work toward that goal.

But on this topic, no bill is preferable to a bad bill. If that means working beyond this year, I believe we must take the time to do it correctly. Fortunately, I do not believe this will end trade negotiations that are underway or planned. The lack of fast track authority is *certainly* not a valid reason for halting WTO talks.

Indeed, in 1986, the year the Uruguay Round was launched, the differences between the Congress and the Administration were so deep that the bill containing fast track was actually vetoed by the President. Fast track did not pass the Congress until two years into the negotiations.

As my good friend Clayton Yeutter, who was USTR for President Reagan and is testifying today, said at the time: “We don’t have to have [fast track] authority next year. It would be *desirable* to have it, but not *necessary* to have it.” In my opinion, Ambassador Yeutter’s statement is just as true today.

Indeed, looking at our trade agenda, it is tough to discern the absolute urgency that some have implied:

- The U.S.-Jordan agreement was completed without fast track.
- Talks with Chile and Singapore began before there was any prospect of fast track. These negotiations – and those with other countries – can and should continue without disruption, regardless of the fast track debate in Congress.
- Negotiations for a Free Trade Area of the Americas seem to be proceeding and have been for some time. And these talks are unlikely to yield anything requiring congressional approval until 2005.

In concluding, let me be clear on two points.

First, I want to reassure all of our trading partners that – with fast track or without fast track – a good trade agreement *will win* congressional support.

Second, I will work to build the necessary consensus to pass meaningful fast track legislation. If that can be accomplished this year, I will work hard to win approval in the Finance Committee and eventually from the entire Congress. If it takes beyond this year, I will *continue* to work to build the necessary consensus. But in the end, achieving the right result is far more important than any artificial deadline.